

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Review of the Commission's Broadcast Ownership)	MB Docket No. 09-182
Rules and Other Rules Adopted Pursuant to)	MB Docket No. 07-294
Section 202 of the Telecommunications Act of 1996)	
Promoting Diversification of Ownership in the Broadcast)	
Services)	
)	
"The Impact of Cross Media Ownership on)	
Minority/Women Owned Broadcast Stations")	

Directed to: The Commission

JOINT COMMENTS

LaSalle County Broadcasting Corp. ("LaSalle County"), WJAG, Inc. ("WJAG"), and West Virginia Radio Corporation ("WV Radio", and together with LaSalle and WJAG, the "Joint Commenters"), by their attorneys, hereby respectfully submit their Joint Comments in the above-referenced proceeding. These Joint Comments are being filed in response to the Commission's "Public Notice," *Media Bureau Invites Comments on Study Submitted by the Minority Media and Telecommunications Council in 2010 Quadrennial Review of Broadcast Ownership Rules*, DA 13-1317, released June 7, 2013, and follow up meetings on June 20, 2013, by representatives of Joint Commenters with all three commissioners, their staffs and the Chief of the Media Bureau and members of his staff.¹ In support of their continuing effort to achieve repeal of the newspaper/radio cross-ownership rule, 47 CFR Sec. 73.3555(d), the Joint Commenters state as follows:

¹ See *Ex parte* notice of Fletcher, Heald & Hildreth, PLC submitted June 21, 2013.

LaSalle County, WJAG, and WV Radio each have substantial experience with the co-ownership of both radio station licensees and newspaper publishers in the same geographic area. Accordingly, they reviewed with interest the findings of the study commissioned by the Minority Media and Telecommunications Council (“MMTC”), Fratrack, Dr. Mark R., “The Impact of Cross Media Ownership on Minority/Women Owned Broadcast Stations” (May 30, 2013) (the “MMTC Study”). Their own experiences have mirrored the MMTC Study’s findings that the presence of radio-newspaper cross-ownership in a market has far too little, if any, impact on broadcast ownership by minorities or women to provide any support for the retention or expansion of the current cross-ownership restrictions.² In fact, based upon their own long-term experiences, and given the marked decline in market power of local newspapers, the Joint Commenters would urge the Commission to eliminate all prohibitions on the joint ownership of radio stations and daily newspapers in markets of all sizes. Allowing such combinations may be one of the few practical methods of preserving local news as provided by both local radio stations and local newspapers.

One finding of the MMTC study was that when most participating broadcasters were asked about emerging competitors, they pointed not to cross-media operations in the same market but to online and other digital media companies. MMTC Study at 7-8. In this respect, local newspapers and local broadcasters face precisely the same competitors. Likewise, both local newspapers and local radio stations face the same challenges in news collection and delivery, including limited staff to report the news and insufficient staffing to allow coverage of the entire market. MMTC Study at 8. Because broadcast stations and newspapers face the same competition and share many of the same difficulties, a combination of the two in today’s multi-

² The “incubator” plans favored by MMTC and the National Association of Broadcasters, among others, afford a more direct and effective means of promoting minority ownership than the outdated and counterproductive rule now being reconsidered.

media marketplace may alleviate the severity of the problems without any of the game-changing effects which led to adoption of the rule in the pre-internet 1970s.

LaSalle County is the licensee of three radio stations co-owned with the *News-Tribune*, a daily newspaper published in LaSalle, Illinois. WV Radio is the licensee of two radio stations in the Morgantown, West Virginia, market, which includes the co-owned *Dominion Post*, a daily newspaper published in Morgantown, and is licensee of 25 radio stations in other West Virginia and Maryland markets. WJAG is the licensee of three radio stations co-owned with the *Norfolk Daily News*, a daily newspaper published in Norfolk, Nebraska. While these companies are located in different parts of the country, all in relatively small markets, they have had similar experiences with declining newspaper revenues and, consequently, declining newspaper market power. These declines affect both circulation and advertising, which means newspapers such as those owned by the Joint Commenters become an ever-less attractive advertising outlet, which in turn threatens to accelerate the drop in revenue. This erosion, in turn, affects both the quality and quantity of local news reporting.

For example, one newspaper owned by a Joint Commenter has lost approximately 20 percent of its paid subscribers in the past five years, with its circulation down from 86 percent market reach in 1995 to only 41 percent market reach in 2013. Furthermore, future circulation is also threatened, as the average age of the newspaper's readers has increased to age 63, as compared with an average age in 1995 of 55. More and more young readers are being lost to the internet and other sources.

For the same newspaper, classified advertising is down 35 percent and display advertising is down 15 percent in the past two years alone. Another newspaper owned by a Joint Commenter reports that classified advertising is down by approximately 50 percent since 2008

and a 30 percent drop in total advertising revenue since 2005. Ads for used cars, employment, and items to buy, formerly mainstays of classified advertising, have largely moved to Craigslist, E-Bay, Facebook, and other internet-based venues because they accommodate more immediate responses. The big box stores in the same Joint Commenter's area have dramatically reduced the number of inserts they buy.

Even in the area of advertising for new automobiles, which formerly took up many pages of display ads, dealers and manufacturers rely more on their websites. When they do advertise in the newspaper, the ads are smaller and serve largely as teasers to attract readers to their websites.

Wholesale clubs and big box stores also have sought to cut down on the expense of "full-run" inserts, particularly as circulation has declined. Instead, particularly outside of larger communities, they prefer to rely upon other media such as Facebook, email blasts and tailored USPS mailings. These methods enable retailers to reach their customers with more personalized information at a lower cost than newspapers. As a result, in today's media marketplace daily newspapers, even when combined with local radio stations, are not and cannot be the media monopolies which the radio/newspaper cross-ownership rule was intended to limit.

The Commission has long stressed the importance and value of diversity and localism in broadcasting. While it has sometimes theorized that the combination of radio stations and newspapers could lead to a loss of such localism, in today's media marketplace such combinations may be the only salvation for truly local content. Indeed, in a era when vital information is imparted to the public mostly through sound bites, repeal of the rule would be a boon to in-depth reporting and promote the dying profession of journalism.

The competition to both broadcast stations and newspapers from outside sources grows every day. National and regional news will always be covered by multiple sources. From cable

news channels to those news channels' websites, to other online news sources, stories—some important to public discourse but most not-- have been blogged about and multiple versions have been “e-blasted” universally long before a local newspaper or even a local radio station can get the information to them. Readers today do not wait for delivery of their local newspapers to get national, international or even local news. Nonetheless, such newspapers, as well as local radio stations, remain valuable as the source for local news because (up to now at least) local news gathering. Indeed all three Joint Commenters report that local news reporting has been their principal means of achieving notoriety and a distinct presence in their respective markets.

The synergies between a local newspaper and a local broadcaster are obvious, particularly in smaller markets. While a newspaper or broadcast station by itself might not have sufficient resources to maintain a robust local news operation, in the Joint Commenters' experience combined radio and newspaper operations can produce sufficient revenues to support robust local news operations by both media. As a result of the financial decline discussed above, many newspapers are consolidating, closing pressrooms and circulation departments and laying off journalists. While advertising for a local newspaper can be handled by staff from outside the market, and some local news coverage can be handled by stringers working out of their homes, the community would be much better served, and local issues much better covered, if that newspaper were locally owned by a broadcaster with similar experience and expertise in news gathering. As noted above, regional and national issues will never suffer for lack of coverage. It is the truly local issues which affect people's daily lives most, such as school closings, high school sports, city council and zoning board schedules, road closings and the like, which are eliminated when a local newspaper fails. As both newspapers and broadcast stations

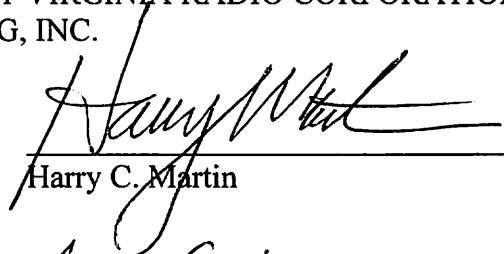
face ever-growing competition in today's multi-media environment, it is imperative that they be allowed to band together to preserve and enhance the delivery of local content.

It is clear that the competitive pressures faced by local newspapers—even those combined with broadcast stations--have declined dramatically in terms of the purported market dominance which led to adoption of the radio-newspaper cross-ownership ban. In 2013, however, there is no evidence that such combinations are the economic juggernauts that they once might have been. Indeed, the MMTC Study shows that newspaper/radio combinations are not even mentioned as a matter of concern to minority broadcasters. Thus, it appears that allowing such combinations would have no adverse impact at all on the diversity of broadcast ownership. Moreover, repeal of the current prohibitions on cross-ownership would allow for synergies between small newspapers and broadcast stations which would enhance localism. For the foregoing reasons, all newspaper-radio cross-ownership restrictions should be eliminated, especially for those in the smallest markets.

Respectfully submitted,

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July 22, 2013